



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

July 27, 1999

Rick Havenstrite
Nevada Star Corporation
1616 Ashbury Lane
Reno, Nevada 89523-1211

Re: Review of Reduced Phase I Proposal, Nevada Star Corporation, OK Copper Mine, M/001/039,
Beaver County, Utah

Dear Mr. Havenstrite:

We have completed our review of Nevada Star Corporation's (NSC) January 25, 1999 proposal to divide the tentatively approved (August 14, 1998) Phase I mining proposal into two separate (and smaller) P1A and P2A phases. Because of pressing program workloads, and NSC's decision to *reduce* the size of its tentatively approved Phase I mining proposal, we have temporarily suspended processing your earlier (June 30, 1998) permit amendment. That amendment requests Division approval to *enlarge* the size of the original OK Copper Mine proposal. We will process the amendment to enlarge the project after we receive the reclamation bond for the P1A Phase reduction and are notified in writing that onsite construction has commenced.

The P1A phase involves 55 acres. This is roughly 43% of the entire 127.83 disturbed acres proposed for the Phase I project. The map attached to the latest amendment includes sketched-in borders for the P1A area. The P1A area includes:

- A portion of the proposed leach pad.
- The processing areas and truck shop.
- The topsoil stockpile area.
- A road connecting the leach pad area to the topsoil stockpile.

Our measurement of the sketched in borders on this map yield the following acreage:

- 43.7 acres for the leach pad and processing area
- 2.4 acres for the road from the leach pad to the topsoil stockpile
- 5.5 acres for the topsoil stockpile.

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These figures total 51.6 acres which does not exceed the proposed P1A area of 55 acres.

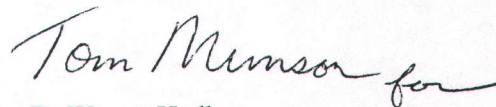
Your January 25, 1999, amendment lacks certain information. Please provide the following:

1. A description of the areas to be mined during phase P1A operations. *The plan must identify the source(s) of the ore that will be used in phase P1A leach pad construction.*
2. A map clearly outlining the disturbed areas proposed for removal of the ore, the leach pad, and the associated processing plant facilities. *We assume that the latest submission is intended to include construction of the certain support facilities and leach pad, without the additional disturbance(s) associated with ore removal. Please clarify this assumption by identifying which features (or portions thereof) will be constructed as part of the P1A phase.*
3. Provide a cost estimate for reclaiming the disturbances associated with ore removal, **or** describe the details of the reclamation tasks so the Division can calculate a revised estimate. *The Division's \$293,000 draft reclamation surety estimate as calculated for phase P1A does not include costs for reclamation of disturbed areas associated with: the mining of new ore, and/or the removal of old waste dumps.*
4. Provide an updated disturbed area map showing all of the disturbed acreage created or directly associated with this project to date.

Please be aware that any proposed changes to your tentatively approved (Phase I) Large Mine Notice may also require approval from the BLM and the State Division of Water Quality before you begin mining operations at the OK Mine.

Thank you for your continued patience and cooperation in finalizing this permitting process. If you have any questions or concerns regarding this letter please contact me or Tom Munson, at (801) 538-5286 and 538-5321 respectively.

Sincerely,



D. Wayne Hedberg
Permit Supervisor
Minerals Reclamation Program

jb
cc: Dennis Frederick, DWQ
Ed Ginouves, Cedar City, BLM
Mary Ann Wright, DOGM
m001039.ltr



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1594 West North Temple Suite 1210
P O Box 145801
Salt Lake City, Utah 84114-5801

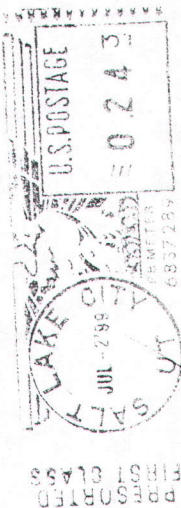
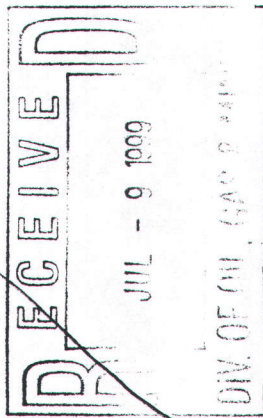
RETURN SERVICE REQUESTED

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*1999 11-17-99
JL [signature]*

NEVADA STAR
2113 N COTTONTAIL
CEDAR CITY UT 84720

MAILING TO SENDER COMPANY
RETURN ADDRESS
NEVADA STAR
1616 NV 89523-1211



1. AUTOMATICALLY

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